

ABSTRACT OF THE DISCLOSURE

5 Methods are disclosed for creating new types of securities, including equity dividend strips, equity dividend strip futures, equity dividend strip options, new index fund stocks, new mutual fund investments, and related securities are created in consideration of the cash dividends paid by companies issuing the original stock. Similar financial products are created for nondividend paying stock.

10 Additionally, the principles of the present invention can be employed to provide new corporate financing methods which make use of the aforementioned securities. An example of such a new method is the issuance of original common stock with a detachable dividend strip.

15 Purchase both and put the dividend strip into your retirement account.

Purchase both and donate the dividend strip to charity.

Give the dividend strip to a minor child, or a child in college.

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The stock does not need to be paying dividends at the time the dividend strip is created.
The dividend strip covers all future dividends, even if there are none now.

Investors can set dividend policy themselves, as long as the constraint is met: total
25 dividends paid by company = total dividend received by security holders. Many security
holders will have only stripped stock, or only stripped dividend.